

CAGE & CREDIT DEPARTMENT

STATE OF NEVADA
GAMING CONTROL BOARD
INTERNAL AUDIT COMPLIANCE CHECKLIST

CAGE & CREDIT DEPARTMENT

WALK-THROUGH PROCEDURES

For the walk-through procedures, indicate (by tickmark) whether the procedures were confirmed through inquiry of licensee personnel, via observation of procedures, or examination of a completed document.

Review prior internal audit reports. Schedule any relevant exceptions cited, including those cited by the GCB or the external auditor, or include a copy of the prior audit reports in the work papers and follow up on any problems noted. Duplication of exceptions when the external auditor is referring to exceptions reported in internal audit reports is not necessary. **Note W/P Ref.:**_____

All “no” and “n/a” answers require an explanation and disposition (e.g., approval of alternative procedure granted by the Board, including computerized applications). All exceptions noted should be carried to the internal auditor’s report/summary of findings for timely follow-up. **Note W/P Ref.:**_____

The bolded number following each question refers to the applicable regulation.

0Scope

This checklist must be completed once in each fiscal year.

MICS Variations and Regulation Waivers

Obtain copies of MICS variation requests and GCB correspondence regarding such requests from appropriate property personnel. Review to determine status of evidence of any waivers or alternative requirements imposed by granted variations. Modify and/or perform additional procedures as applicable.

Associated Equipment

Determine if field trial or final approval has been received for all associated equipment used for the cage department. For all unreported associated equipment, cite violations of **Regulation 14.290**. If any associated equipment is currently on field trial, it is not necessary to perform a walk-through of the procedures in effect utilizing the field trial letter. For “approved” associated equipment, utilizing the final approval letter, perform a walk-through of any **special requirements** imposed on the use of the associated equipment including any additional controls which were included in the written system of internal control.

Date Approval Granted	MICS Number or Regulation	Description of Variation/Waiver Granted or Associated Equipment Approval	Number(s) of Procedure Modified or Added	W/P Ref. (if appl.)

Note: Variations/waivers and associated equipment need only be scheduled once. Refer to the work paper where the details are scheduled and complete the last two columns of the above grid if walk-through procedures are affected.

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	YES	NO	N/A	COMMENT, W/P REFERENCE	PERSON INTERVIEWED/ TITLE
1. Complete the CPA MICS Compliance Checklist for Cage and Credit in accordance with the CPA MICS Compliance Reporting Requirements "Guidelines".					
Issuance of Credit					
2. a. Is a credit check performed and documented prior to the issuance of credit? Regulation 6.120(2)(a)					
b. Does the patron sign the credit instrument upon issuance? Regulation 6.120(2)(b)					
c. Is the patron's address recorded? Regulation 6.120(2)(c)					
Collection					
3. Is a reasonable effort, as defined by Regulation 6.120(3) , made to collect outstanding casino accounts receivable?					
Settlements					
4. Are settlements made for the purposes set forth in Regulation 6.120(5) ?					

E = Confirmed via examination/review
I = Confirmed via inquiry
O = Confirmed via observation

	Initials	Date
Prepared by		

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	YES	NO	N/A	COMMENT, W/P REFERENCE	PERSON INTERVIEWED/ TITLE
5. Are settlements documented pursuant to Regulation 6.120(6) ?					
Surveillance 6. Is adequate video surveillance provided over the cage area? Regulation 5.160(9) and Surveillance Standard #6					
<u>Procedures Modified or Added</u>					

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TESTING PROCEDURES

OBJECTIVES: To determine if controls for cage and credit are adequate to ensure that cage, credit and collection procedures comply with the Regulations and the MICS, and to determine if credit play adjustments are accurately stated in the financial records.

PREPARATION: Review the MICS variations and regulation waivers scheduled during the cage and credit department walk-through procedures. Modify and/or perform additional procedures as applicable. Note below the number of the procedure modified or added. Only the last two columns need to be completed if the remaining information is scheduled in the “Walk-through Procedures Checklist”.

Date Approval Granted	MICS Number or Regulation	Description of Variation/Waiver Granted or Associated Equipment Approval	Number(s) of Procedure Modified or Added	W/P Ref. (if appl.)

SCOPE: Unless otherwise indicated, select 1 day per year.
Indicate Test Date: _____

COMPLETION: Using your own work papers, document the completion of the procedures listed below. All exceptions noted should be carried to the internal auditor’s report/summary of findings for timely follow-up.
Note W/P Ref.: _____

	W/P Reference/Comments	Auditor’s Initials/Date
1. Review prior internal audit reports. Schedule any relevant exceptions cited, including those cited by the GCB or the external auditor, or include a copy of the prior audit reports in the work papers and follow-up on any problems noted. Duplication of exceptions when the external auditor is referring to exceptions reported in internal audit reports is not necessary.		

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2. Foot listings of all marker and returned check accounts with outstanding balances. Ensure the active listings are in agreement with the general ledger accounts. For inactive accounts trace the year-to-date write-offs to the bad debt expense or the allowance for bad debts account(s). The above listings should be segregated by "active" (collection still feasible) and "inactive" (collection effort terminated) accounts. The listings should include all uncollected items issued since the inception of the licensee's operations. If the listings are prepared by computer, the listings may be footed on a sample basis.		
3. Trace listing balances to the reconciliation of casino accounts receivable listings to the NGC tax returns prepared by accounting as required by the Cage and Credit MICS . Note: The purpose of this step is to determine that accounting is using the proper listing balances in the reconciliation they prepare.		
4. Select a sample of ten (10) patron accounts from each listing (active and inactive) and trace balances to physical instruments. Review accounts for compliance with credit limits and other established credit issuance procedures.		
5. From the sample of active accounts selected above, review the collection effort to ensure that a reasonable effort was documented at a minimum every 90 days.		
6. From the sample of inactive accounts selected above, review the collection effort on accounts written off to ensure that a reasonable effort was documented at a minimum every 90 days prior to write-off.		
7. From the sample of inactive accounts selected above, examine the settlement forms on settled patron accounts for compliance with Regulation 6.120 .		

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<p>Assignment of Original Credit Instruments</p> <p>8. Select outstanding credit instruments for two different patrons transferred to two different locations (branch office, collection agencies or other collection representatives).</p> <p>Verify that a copy of the credit instrument and a receipt from the collection representative is maintained. Trace payments to the patron's credit card, if applicable. Trace the selected accounts to the detailed listing required for any outstanding "original" credit instruments that have been removed from the property. Agree account balance to monthly reconciliation of transferred instruments and related payments and/or return of instruments to the cage.</p>		
<p>Payments Received by Mail</p> <p>9. Select one mail payment listing from the three-day sample audited by accounting as required by the Cage & Credit MICS. Review the listing for proper completion and agree payments to cage records.</p>		
<p>Customer Deposits</p> <p>10. Reconcile current day's front money balance on cage accountability to underlying documentation.</p>		
<p>Casino Accountability</p> <p>11. Verify all items on the cage accountability and trace to the general ledger. Perform a sample count of fill bags. Examine racked chips/tokens (including reserves) and canned coin to ensure that they are full. Count straps of currency on a sample basis.</p> <p>Indicate date/shift verified:_____</p>		

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